

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

Litchfield Financial Corp., et al.)	
)	
Plaintiffs,)	
)	
v.)	Civ. Action 04-30076-MAP
)	
Buyers Source Real Estate Group,)	
et al.,)	
)	
Defendants.)	
)	

JOINT REPORT FOR SCHEDULING CONFERENCE

On December 16, 2005, the Court granted an Order rescheduling the Scheduling Conference to February 14, 2006 at 10:00 a.m. and required that the parties submit a Report by February 7, 2006.

1. As this Court is aware, a Stay Order entered by the U.S. District Court for the Eastern District of Virginia (Norfolk Division) prevents Plaintiffs Litchfield Financial Corporation, Land Finance Company, and Textron Financial Corporation from prosecuting this action against the following 10 defendants: Messrs. Brewer, Blake, Montgomery, Campbell, Mses. Brewer, Gard, and the four Buyers Source entities. In addition, Plaintiffs voluntarily dismissed their claims against one defendant (Mr. Stallings) pursuant to Rule 41(a). This Court granted one defendant's (Mr. Seigler's) motion to dismiss. *See* Order, Sept. 8, 2005.

2. The following Defendants are not protected by the Stay Order: Mr. Ronald P. Ferguson and the five attorney defendants (Messrs. Lumpkin and Hudgins, and their associated law firms, Stephen A. Hudgins, P.C., Hudgins & Stallings, PC, and John C. Lumpkin, PC). The five attorney defendants are represented by counsel; Mr. Ferguson is appearing pro se.

3. Plaintiffs are willing to continue settlement efforts with the remaining defendants. Mr. Ferguson has requested that the Plaintiffs consider some additional information that he believe may exonerate him; Plaintiffs are willing to review the information once Mr. Ferguson has provided it. Plaintiffs have made a proposal for settlement discussions with the five attorney defendants. Defendants Lumpkin and Hudgins are willing to continue settlement efforts with the Plaintiffs.

4. Plaintiffs believe that discovery as to the remaining defendants would not require a prolonged effort. Plaintiffs' view is that a six month fact discovery period would appear to be appropriate. Plaintiffs are willing to delay discovery as to any defendant that wishes to undertake settlement discussions. Defendant Lumpkin and Hudgins believe that discovery might take six to nine months.

5. If discovery commences, Plaintiffs recommend that a further scheduling conference be set for five months from the date of the initial Scheduling Order issued by this Court at which time the parties and the Court could determine a schedule for any summary judgment motions and a trial date. Defendants Lumpkin and Hudgins request that the Court either (i) postpone the scheduling conference currently set for February 14 for a four-month period while the parties continue efforts concerning settlement or (ii) that the Court permit the defense counsel to participate by phone during the conference scheduled for February 14. Plaintiffs are not opposed to either of the Defendants proposals. Mr. Ferguson has also asked to be permitted to participate by phone if possible.

6. This Report reflects information obtained during discussions and communications by Plaintiffs' counsel with Mr. Ferguson.

Dated: February 7, 2006

Respectfully submitted
Counsel for Plaintiffs
Litchfield Financial Corp., et al.,

/s/ James E. Anklam

Christopher F. Dugan
James E. Anklam
PAUL HASTINGS JANOFISKY & WALKER
875 15th Street, NW
Washington, DC 20005
phone: 202/551-1700
jamesanklam@paulhastings.com

/s/ Jeffrey L. McCormick

Jeffrey L. McCormick
ROBINSON DONOVAN
Suite 1600
1500 Main Street
Springfield, MA 01115
phone: 413/732-2301
jmccormick@robinson-donovan.com

Counsel for Defendants
Stephen Hudgins and John Lumpkin
and their respective law firms

/s/ Charles M. Lollar

Charles M. Lollar
TANNER MULKEY GORDON
& LOLLAR
Suite 102
5700 Lake Wright Drive
Norfolk, VA 23502
phone: 757/274-7000

/s/ George R. Moore

George R. Moore
DEVINE MILLIMET & BRANCH
9th Floor
3000 Brickstone Square
Andover, MA 01910
phone: 978/475-9100

CERTIFICATE OF SERVICE

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on February 7, 2006.

/s/ Jeffrey L. McCormick